GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1996
ANSWERED ON:13.12.2004
ADVANCE MEASURES TO SUPPORT PRICES
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Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government proposes to take advance measures to check crash in the prices of commodities like onion, cotton and oilseeds; and

(b) if so, the details thereof;

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a) & (b): In order to protect farmers from crash in prices in respect of commodities like oilseeds and cotton, the Government announces Minimum Support Prices (MSPs) while in the case of commodities like onion, which are not covered under MSP, farmers are protected through the Market Intervention Scheme (MIS). In the case of oilseeds, the National Agricultural Cooperative Marketing Federation of India Limited (NAFED) is the nodal agency entrusted with the implementation of MSP. Accordingly, NAFED undertakes procurement of oilseeds as and when the market prices fall below the MSPs fixed by the Government. As regards cotton, the Cotton Corporation of India (CCI) is the nodal agency entrusted with implementation of MSP. In regard to commodities like onion, NAFED is entrusted with implementation of MIS on the basis of request received from the State Governments who are prepared to bear 50% of the losses, if any, in the implementation of MIS. The share of loss to be borne by the States in lower at 25% in the case of North Eastern States.

The MSPs of kharif crops, including kharif oilseeds and cotton, of 2004-05 season were announced by the Government on August 10, 2004. Similarly, the MSPs of Rabi crops of 2004- 05 season to be marketed in 2005-06, were announced on November 3, 2004.

During Kharif 2004 season, no oilseeds have been procured so far as the prices are ruling above MSP for oilseeds of Fair Average Quality (FAQ). As regards onion also, the prices have remained favourable to farmers. However, cotton prices have recently fallen below the MSP levels, and accordingly, the CCI procured up to 6th December, 2004, 15.81 lakh quintals of cotton at MSP during 2004-05 season.